



OFFICE OF THE CITY CLERK

REPORT

REPORT TO THE COMMITTEE ON RULES, FINANCE AND INTERGOVERNMENTAL RELATIONS

DATE: FEBRUARY 17, 1998

REPORT NO: 98-04

SUBJECT: PROPOSED AMENDMENTS TO THE SAN DIEGO MUNICIPAL
ADVOCATES (MUNICIPAL LOBBYING) ORDINANCE

At the Rules Committee meeting of February 2, 1998, the City Clerk, and the City Attorney were given direction to consider a variety of issues related to the proposed Lobbying Ordinance, and to bring back a report to the Rules Committee for further discussion. The issues to consider included reporting of compensation by Lobbyists; employees included as City Officials; consideration of a gift limit; inclusion of community planning groups as City Officials; and provision for a cost of living adjustment. Each of these items is discussed below. The City Attorney has reviewed and provided input to this report on legal issues.

At the same Rules Committee meeting we were also directed to change the term "Legislative Action" to another term to reflect that such action is not necessarily an action by the City Council. This term has been changed to "Municipal Decision" in the draft ordinance attached.

DISCUSSION OF ISSUES

Based on public input at the February 2 meeting, among the topics for further discussion is the reporting of compensation by Lobbyists on their quarterly reports and a gift limit for Lobbyists. It should be noted that both of these provisions were included in an earlier draft of the proposed ordinance, and were discarded following nearly unanimous opposition to both ideas at a public workshop held to solicit feedback on the draft. Approximately 45 people attended that workshop.

Reporting of Compensation by Lobbyists

Almost unanimously, participants in the public workshop opposed the reporting of compensation by clients. Their concern was that disclosure of their "rate schedule" would be used by others to fix prices in order to compete more efficiently, or to promote

a comparison between Lobbyists and the services rendered. Also expressed was the notion that it really doesn't matter what they are paid, because they work just as hard whatever the compensation. This seems to be a concern of the business community in general and is not limited to Lobbyists. Furthermore, the stated purpose of the proposed ordinance "...is to provide registration and disclosure requirements...to require Lobbyists to provide sufficient information so that *complete disclosure of principals and Clients they represent* may become public information for the benefit of the City Council and the general public." Within this context, given that the proposed ordinance requires Lobbyists who are paid to disclose the names of those who pay them, the level of that payment is of limited importance.

Because there appears to be some interest in requiring Lobbyists to disclose this information, we propose that any such requirement include a range of compensation rather than an exact accounting of compensation earned or received. If required, our suggestion is that the disclosure be in the following ranges:

[]\$0 - \$1,000 []\$1,000 - \$5,000 []\$5,000 - \$10,000 []Over \$10,000

This type of disclosure is similar to what is reported by public officials on their statements of economic interests. Such compensation would be reported on the quarterly disclosure statement if the compensation was received during the reporting period in connection with the Lobbyist's representation of Clients. We have contacted several interested parties who were in attendance at the prior workshops to get their reaction to this proposal. While they agreed that such a range would not cause the problem that an exact accounting would, they were still opposed to the concept. On this issue it appears that there is not likely to be consensus between the "regulated" and the "reform" community. Therefore, this must be a policy decision by the City Council.

Employees Included as City Officials

Under the proposed Lobbying ordinance, if someone lobbies a City Official and is compensated at or above the threshold, he or she is required to register as a Lobbyist and to file quarterly reports. In the ordinance a City Official is defined to include City employees. State law requires that employees "who make or participate in making decisions which may foreseeably have a material effect on any financial interest..." must be designated in the City's conflict of interest codes. (Cal. Gov't Code §82019). Designated employees include business center managers, department directors, assistant directors, deputy directors, project managers, deputy city attorneys and other City employees with decision making powers or effective recommendation powers. The City Clerk and City Attorney work with all City departments and business centers to coordinate a biennial review of these positions so that they are kept current. Based on prior experience, the City Clerk and City Attorney anticipate that the

same employees who are covered by a conflict of interest code will be the same employees people will attempt to Lobby.

Consideration of a Gift Limit

As mentioned above, a \$10 gift limit was proposed in an earlier draft. At the public workshop held to solicit feedback on the draft, there was overwhelming opposition to this proposal. In conversations with a variety of interested parties, concern has also been expressed about creating another set of gift rules.

In considering a gift limit, it should be noted that officeholders, City board members required to file statements of economic interests, and designated employees of the City are covered by gift limits contained in state law. Under these provisions, at present, officeholders are limited to gifts of no more than \$290 in any calendar year from any single source. Board members and designated City employees are limited to gifts of this amount from any source designated in their conflict of interest code.

Additionally, all City employees are governed by Council Policy 000-4 "Code of Ethics" and Administrative Regulation 95.60 "Conflict of Interest and Employee Conduct." These two documents contain similar language although the Administrative Regulation is the more comprehensive of the two, and states in part:

3.4 Acceptance of Favors, Gifts, and Gratuities

Persons in the public service shall not accept money or other consideration or favors from anyone other than the City for the performance of an act which they would be required or expected to perform in the regular course of their duties....Persons shall not accept gifts, gratuities or favors of any kind which might reasonably be interpreted as an attempt to influence their actions with respect to City business.

Given that there are gift restrictions at the state level and that the City has both a Council Policy and an Administrative Regulation that are even more restrictive, we do not recommend inclusion of a gift limit in the proposed ordinance.

Inclusion of Community Planning Groups as City Officials

Although advisory to the Mayor and City Council, community planning groups are not official agencies of the City. They are, rather, private citizens who organize themselves and are recognized under Council Policy 600-24. Members of these groups are elected by their communities. Unlike formal advisory boards created by the City pursuant to Charter Section 43, they are not appointed by the Mayor and Council. They need not abide by California's open meeting laws, and they do not have a conflict of interest code or file statements of economic interest. Additionally, unlike most other City Officials, they are not subject to any gift limitations. As with other City agencies

that are not covered by this proposed ordinance, it is our opinion that it is not appropriate to include members of community planning groups as City Officials. The City Clerk has little or no way to monitor membership in these groups or whether lobbyists meet with members of such groups. Limited resources in the City Clerk's and City Attorney's offices would make administration and enforcement of such a broad definition of City Official problematic.

Provision for Cost of Living Adjustment (COLA)

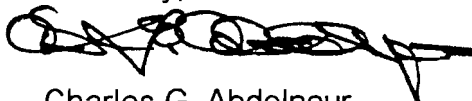
An automatic COLA could be written into the ordinance so that the \$1,000 threshold for registration would be increased annually. One index used frequently for this purpose is the San Diego Consumer Price Index. Over the past ten years, this index has reflected an average percentage increase of 3.56 per year. It was nearly 6% in 1988, 1989, and 1990. In other years it has dipped as low as 1.5%. If the \$1,000 threshold had been in place ten years ago, and adjusted using this index, the current threshold would be \$1,369, and would have increased by \$35 from \$1,334 in the prior calendar year. Should the Council wish to adopt such a COLA as a part of the proposed ordinance, language could be added as part of the threshold provision to state "This threshold will be adjusted upward each year based on the San Diego Consumer Price Index percentage increase for the previous 12 month period. Potential Lobbyists should check with the City Clerk's Office for the exact threshold amount for the current year." Unfortunately, index statistics for the 2nd half of the previous calendar year are not generally available until mid-February. Therefore, if we based the threshold increase on the prior calendar year, that figure would not be available for those lobbyists who re-register in January.

Alternately, since the proposed ordinance contains registration fees, in addition to the threshold for registration and reporting, the Council may wish to consider directing the City Clerk to review the ordinance periodically for amendments to the fee structure and threshold compensation level. This direction would be contained in an un-codified portion of the ordinance, or would simply be a directive to the City Clerk.

Conclusion

I look forward to the Rules Committee consideration of these issues and urge you to support the proposed Lobbying ordinance. Should you have any questions, please feel free to contact Joyce Lane at 533-4024.

Sincerely,



Charles G. Abdelnour
City Clerk

CGA:JL
Attachment

cc: City Manager
City Attorney

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SAN DIEGO MUNICIPAL CODE

ARTICLE 7

Elections, Campaign Finance and Lobbying

DIVISION 40

Municipal Lobbying

27.4001 Purpose

The purpose of this division is to provide registration and disclosure requirements whereby Persons acting as Municipal Lobbyists are required to register with the City. The purpose of registration is to require Lobbyists to provide sufficient information so that complete disclosure of principals and Clients they represent may become public information for the benefit of the City Council and the general public. This division is not intended to discourage or prohibit the exercise of constitutional rights.

27.4002 Definitions

The first letter of each term defined in this division is capitalized. Unless the context otherwise indicates, the defined terms have the meanings set forth below.

"Activity Expense" means any Payment made to, or benefitting, any City Official made by a Lobbyist. An Activity Expense benefits a City Official if it is made to, or on behalf of, the City Official. An Activity Expense includes gifts provided to the City Official's spouse or dependent child if the City Official receives benefits from the gift or exercises control or discretion over the use or disposal of the gift. "Activity Expenses" include gifts, meals, honoraria, consulting fees, salaries and any other form of Compensation, but do not include campaign contributions.

"Agent" means a Person who acts on behalf of any other Person. "Agent" includes a Person who acts on behalf of a Lobbyist.

"City" means the City of San Diego or any organizational subdivision, office, or board of the City.

"City Board" includes any board, commission, committee, or task force of the City established by action of the City Council under authority of the City Charter, Municipal Code or Council resolution. It does not include boards of directors or employees of City agencies that are non-profit corporations of which the City is the only member. It also does not include Housing Commissioners or Housing Commission employees.

"City Official" includes:

(a) any elected or appointed City officeholder, including any City officeholder elected but not yet sworn in, City employee, or City Board member;

(b) City Council members acting in their capacity as Housing Authority and Redevelopment Agency officers; and

(c) any consultants of this City who are required to file a statement of economic interest pursuant to any conflict of interest code adopted by the City Council.

"Client" means

(a) a Person who compensates a Lobbyist, including an In-House Lobbyist, for the purpose of Influencing a Municipal Decision; or

(b) a Person on whose behalf a Lobbyist makes attempts at Influencing a Municipal Decision.

"Committee" has the same meaning as that set forth in California Government Code Section 82013.

"Compensated Services" means Lobbying activities for which Compensation was paid during a reporting period or for which the Lobbyist became entitled to Compensation during that period.

"Compensation" means any economic consideration for services rendered, either via employment or contract, other than reimbursement for Travel Expenses.

"Day" means calendar day unless otherwise specified.

"Direct Communication" means:

(a) talking to (either by telephone or in person);

(b) corresponding with (either in writing or by electronic transmission or facsimile machine); or

"Direct Communication" does not include:

- (a) solely responding to questions from any City Official; or
- (b) appearing as a speaker at, or providing written statements which become part of the record of, a Public Hearing, so long as the Lobbyist identifies the Client(s) represented;

"Gift" has the same meaning as that set forth in California Government Code Section 82028.

"Influencing a Municipal Decision" means affecting or attempting to affect any action by a City Official on one or more Municipal Decisions by any method, including promoting, supporting, opposing or seeking to modify or delay such action. "Influencing a Municipal Decision" also includes providing information, statistics, analysis or studies to a City Official.

"In-House Lobbyist" means a salaried employee who engages in Lobbying solely on behalf of his or her employer.

"Lobbying" means Direct Communication with a City Official for the purpose of Influencing a Municipal Decision on behalf of any other Person.

"Lobbyist" means an individual who receives or becomes entitled to receive \$1,000 in Compensation during any calendar quarter for Lobbying. Lobbyist includes In-House Lobbyists who engage in Lobbying as well as Persons under contract to engage in Lobbying.

"Municipal Decision" includes:

- (a) the drafting, introduction, consideration, reconsideration, adoption, defeat, or repeal of any ordinance or resolution;
- (b) the amendment of any ordinance or resolution;
- (c) a report by a City Official to the City Council or a City Council Committee;
- (d) contracts; and
- (e) quasi-judicial decisions, including:

(1) any decision on a land development permit, map or other matter decided pursuant to Process 2 through 5 as described in Chapter 11 of this Municipal Code; or

(2) any grant of, denial of, modification to, or revocation of a permit or license under Chapter 1 through 9 of this Municipal Code.

"Municipal Decision" does not include any of the following:

(a) any request for advice regarding, or for an interpretation of laws, regulations, City approvals or policies;

(b) a direct response to an enforcement proceeding with the City;

(c) any ministerial action such as decisions on private land development made pursuant to Process 1 as described in Chapter 11 of this Municipal Code;

(d) any action relating to the establishment, amendment, administration, implementation or interpretation of a collective bargaining agreement or memorandum of understanding between the City and a recognized employee organization, or a proceeding before the Civil Service Commission; or

(e) any management decisions as to the working conditions of represented employees that clearly relate to the terms of collective bargaining agreements or memoranda of understanding pursuant to (d) above.

"Payment" has the same meaning as that set forth in California Government Code Section 82044.

"Person" means any individual, business entity, trust, corporation, association, committee, or any other organization or group of Persons acting in concert.

"Public Hearing" means any meeting as defined by the Ralph M. Brown Act where a public record is kept of who spoke and who was represented by a Lobbyist testifying at that hearing.

"Public Official" means an elected or appointed officer or employee or officially designated representative, whether compensated or not, of the United States or any of its agencies; the State of California; the City; any political subdivision of the state, including counties and districts; or any public corporation, agency or commission.

"Travel Expenses" means reasonable expenses for transportation plus a reasonable sum for food and lodging.

27.4003 (Reserved for future use)

27.4004 Exceptions

The following Persons are exempt from the requirements of this division:

- (a) a Public Official acting in his or her official capacity and any government employee acting within the scope of his or her employment;
- (b) any newspaper or other regularly published periodical, radio or television station (including any individual who owns, publishes or is employed by any such newspaper, periodical, radio or television station) that in the ordinary course of business publishes news items, editorials or other comments or paid advertisements which directly or indirectly urge action on a Municipal Decision, if such newspaper, periodical, radio or television station; or individual engages in no other activities to Influence a Municipal Decision; and
- (c) any Person whose sole activity includes one or more of the following:
 - (1) to submit a bid on a competitively bid contract;
 - (2) to submit a written response to a request for proposals or qualifications;
 - (3) to participate in an oral interview for a request for proposals or qualifications;
 - (4) to negotiate the terms of a written agreement with any City agency, once that Person is selected pursuant to that bid or request for proposals or qualifications; or

27.4005 Threshold Determination

For the purpose of determining whether a Lobbyist has met the threshold for registration required by Section 27.4007, the following activities shall be included:

- (a) monitoring a Municipal Decision the Lobbyist is seeking to influence;
- (b) preparing testimony and presentations;
- (c) attending hearings on a Municipal Decision the Lobbyist is seeking to influence;
- (d) communicating with the Lobbyist's Client or the Lobbyist's employer on a Municipal Decision the Lobbyist is seeking to influence; and

(e) waiting to meet with City Officials.

These and similar activities are an integral part of Influencing a Municipal Decision.

27.4006 Activity Expense on Behalf of Client

An Activity Expense shall be considered to be made on behalf of a Client if the Client requires, authorizes, or reimburses the expense.

27.4007 Registration Required

(a) A Lobbyist is required to register with the City Clerk no later than ten (10) Days after qualifying as a Lobbyist.

(b) Within ten (10) Days after qualifying as a Lobbyist, a Lobbyist shall report the information required by Section 27.4017 for any Compensated Services the Lobbyist provided in the three (3) months prior to the date of qualification as a Lobbyist.

(c) Lobbyists shall file with the City Clerk the registration form with the Lobbyists' original signature.

(d) Nothing in this division precludes a Person from registering as a Lobbyist prior to qualifying.

27.4008 (Reserved for future use)

27.4009 Contents of Lobbyist's Registration

Lobbyists shall file with the City Clerk the registration form which contains the following:

- (a) the Lobbyist's full name, business address, and business telephone number;
- (b) the name, business address, and business telephone number of the Lobbyist's employer, if any;
- (c) a specific description of the Lobbyist's employer, if any, in sufficient detail to inform the reader of the nature and purpose of the employer's business;
- (d) for each Client for which the Lobbyist provides Lobbying Activities:

- (1) the Client's name, business or mailing address and business or message telephone number;
 - (2) a specific description of each Client in sufficient detail to inform the reader of the nature and purpose of the Client's business;
 - (3) the Municipal Decision(s) for which the Lobbyist was retained to represent the Client, or a description of the type(s) of Municipal Decision for which the Lobbyist was retained to represent the Client;
- (e) a statement that the Lobbyist has reviewed and understands the requirements of Division 40 governing municipal lobbying; and
- (f) any other information required by the City Clerk consistent with the purposes and provisions of this division.

27.4010 Lobbyist and Client Registration Fees

(a) At the time the Lobbyist registers pursuant to Section 27.4007, the Lobbyist shall pay:

- (1) an annual Lobbyist registration fee of forty dollars (\$40); plus
- (2) an annual Client registration fee of fifteen dollars (\$15) for each Client identified on the registration form.

(b) A Lobbyist who initially registers during the last quarter of a calendar year (October through December) pursuant to Section 27.4007 shall pay:

- (1) a prorated Lobbyist registration fee of twenty dollars (\$20); plus
- (2) a prorated Client registration fee of ten dollars (\$10) for each Client identified on the registration form.

(c) When a Client is acquired subsequent to the initial registration, the Lobbyist shall pay a fifteen dollar (\$15) Client registration fee when filing the information required by Section 27.4009.

(d) For the purpose of determining Client registration fees, a trade association or business organization qualified under Internal Revenue Code 501(c)(6) shall consider its members as one Client.

(e) For the purpose of determining Client registration fees, a single Client registration fee shall be paid for a Person, other than an individual, that employs more than one In-House Lobbyist.

(f) Fees may be paid or reimbursed by the Person, if any, who employs the Lobbyist.

27.4011 (Reserved for future use)

27.4012 Amendments to Registration Form

Lobbyists shall file amendments to their registration form with the next quarterly disclosure report, and shall disclose any change in information required on the registration form as set forth in Section 27.4009.

27.4013 Duration of Status

A Person who registers as a Lobbyist retains that status through January 5 of the following calendar year unless and until that Person terminates that status in accordance with Section 27.4022. A Person who continues to qualify as a Lobbyist on January 5 of the year after initial registration shall renew that registration on or before January 15 of each year.

27.4014 (Reserved for future use)

27.4015 Quarterly Disclosure Report Required

(a) Lobbyists shall file quarterly disclosure reports for every calendar quarter during which they retain their status as a Lobbyist.

(b) A Person, other than an individual, that employs more than one In-House Lobbyist may file a single quarterly disclosure report, provided that such report includes all information required by Section 27.4017 for each In-House Lobbyist it employs. The report shall be signed by a responsible officer of the Person. The Person shall file with

the City Clerk the report with an original signature. Such reporting shall be deemed to be in compliance with the requirements of this division.

27.4016 Filing Deadline for Quarterly Disclosure Report

Lobbyists shall file quarterly disclosure reports with the City Clerk, with the Lobbyist's original signature, no later than the last Day of the months of April, July, October and January. Lobbyists shall disclose the information required by Section 27.4017 for the calendar quarter immediately prior to the month in which the report is required to be filed.

27.4017 Contents of Lobbyist's Quarterly Disclosure Report

A Lobbyist's quarterly disclosure report shall contain the following information:

- (a) the Lobbyist's full name, business address and business telephone number;
- (b) the name, business address and business telephone number of the Lobbyist's employer, if any;
- (c) the name, business or mailing address and business or message telephone number of each Client represented by the Lobbyist during the reporting period; and a description of each Municipal Decision for which the Lobbyist represented the Client during the reporting period;
- (d) an itemization, which includes the date, amount and description of any Activity Expenses of \$10 or more on any one occasion; or Activity Expenses aggregating \$50 or more during the quarter, to benefit any single City Official on behalf of any one Client, (made by the Lobbyist during the reporting period);
- (e) the name and title of the City Official benefitting from each itemized Activity Expense;
- (f) the name and address of the payee of each itemized Activity Expense;
- (g) the name of the vendor if different from that of the payee of each itemized Activity Expense;
- (h) the name of the Client, if any, on whose behalf each itemized Activity Expense was made;

(i) the total amount of all Activity Expenses, whether itemized or not, made by the Lobbyist during the reporting period; and

(j) any other information required by the City Clerk consistent with the purposes and provisions of this division.

27.4018 (Reserved for future use)

27.4019 (Reserved for future use)

27.4020 Forms to be Provided by the City Clerk

Lobbyists shall file registration forms and quarterly disclosure reports required by this division on forms provided by the City Clerk.

27.4021 Verification of Registration Form and Quarterly Disclosure Report

Lobbyists shall sign and verify registration forms and quarterly disclosure reports required by this division under penalty of California perjury laws.

27.4022 Termination of Lobbyist Status

A Person who ceases being a Lobbyist shall notify the City Clerk of this status upon the quarterly disclosure report form provided by the City Clerk. Upon terminating, the Lobbyist shall report the information required in Section 27.4017 that remains unreported since the last quarterly disclosure report.

27.4023 Other Obligations of a Lobbyist

Any Person who is required to register as a Lobbyist under the provisions of this division shall:

(a) abstain from doing any act with the purpose or intent of placing a City Official under personal obligation to the Lobbyist, or to the Lobbyist's employer or Client;

(b) correct, in writing, any misinformation given to a City Official, specifying the nature of the misinformation;

(c) retain for a period of five years all books, papers and documents necessary to substantiate the quarterly disclosure reports required to be made under this division;

(d) not deceive or attempt to deceive a City Official as to any material fact pertinent to any pending or proposed Municipal Decision;

(e) not cause any communication to be sent to a City Official in the name of any fictitious Person or in the name of any real Person, except with the consent of such real Person; and

(f) not attempt to evade the obligations in this section through indirect efforts or through the use of Agents, associates or employees.

27.4024 Employment of City Employees by Lobbyist

If any Lobbyist registered or required to be registered under Section 27.4007:

(a) employs, in any capacity whatsoever, or

(b) requests, recommends, or causes the Lobbyist's employer to employ any Person known to be a City Official, the Lobbyist shall file a written statement with the City Clerk within ten (10) Days after such employment. This statement shall set forth the name of the Person employed, the date first employed by the Lobbyist or the Lobbyist's employer, and that Person's position, title, and department in the City.

27.4025 Powers and Duties of the City Clerk

(a) Upon receipt of a written request, the City Clerk shall issue a notice of registration requirements to any Person whom a City Official or any other Person has reason to believe should be registered under this division.

(b) Any Person who in good faith and on reasonable grounds believes that he or she is not required to comply with the provisions of Section 27.4007 by reason of being exempt under any provision of this division shall not be deemed to have violated the provisions of Section 27.4007 if, within ten (10) Days after the City Clerk has sent specific written notice, the Person either complies with the requirements of this division, or furnishes satisfactory evidence to the Clerk that he or she is exempt from registration.

(c) As soon as practicable after the close of each quarter, the City Clerk shall complete a summary of the information contained in registration forms and quarterly disclosure reports required to be filed under the provisions of this division. This summary shall be forwarded to the Mayor and City Council.

(d) The City Clerk shall preserve all registration forms and quarterly disclosure reports required to be filed under this division for a period of six (6) years from the date of filing. These registration forms and quarterly disclosure reports shall constitute part of the public records of the Clerk's office, and shall be open to public inspection. Copies shall be made available by the Clerk upon request and payment of any lawful copy charges.

(e) The City Clerk shall have the power to adopt all reasonable and necessary procedures to implement this division.

27.4026 Inspection of Forms and Reports

(a) The City Clerk shall inspect, or cause to be inspected, each registration form and quarterly disclosure report filed under this division within twenty (20) working Days after the filing deadline. The Clerk shall notify a Person to file a registration form or quarterly disclosure report under this division if it appears that the Person has failed to file as required by law or that the registration form or quarterly disclosure report filed by the Person does not conform to law.

(b) Any Person notified to file an original or amended registration form or quarterly disclosure report shall file the form or report by the deadline imposed in the notification from the Clerk.

27.4027 Audits

The City shall have the authority to conduct audits of registration forms and quarterly disclosure reports filed pursuant to this division. Audits may be conducted on a random basis or when City staff has reason to believe that a registration form or quarterly disclosure report may be inaccurate or has not been filed.

27.4028 Violations, Penalties and Defenses

(a) Violations of this division may be prosecuted as misdemeanors subject to the fines and custody provided in San Diego Municipal Code section 12.0201. The City may also seek injunctive relief and civil penalties in the Superior Court pursuant to Municipal Code section 12.0202 or pursue any administrative remedy set forth in Chapter I of this Code.

(b) In addition to any other penalty or remedy available, if any Person fails to file any registration form or quarterly disclosure report required by this division after any deadline imposed by this division, that Person shall be liable to the City of San Diego in the amount of twenty-five dollars (\$25) per Day after the deadline until the report is filed, up to a maximum amount of \$500.

(c) Provisions of this division need not be enforced by the City Clerk if it is determined that the late filing was not willful and that enforcement of the penalty would not further the purposes of this division.

(d) Provisions of this division shall not be waived if a registration form or quarterly disclosure report is not filed by the deadline imposed in the notification from the City Clerk of the filing requirement.